

It's all about the Math--
VSDP and Workers'
Compensation

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Goals

- Understand the basics of VSDP/WC benefit
- Understand how to calculate paying employee
- Understand how to determine appropriate leave usage on VSDP/WC Claim
- Understand where to find resources

Reporting Claims

- Both programs requiring claims reporting
- VSDP has 14 day look back period only
- WC requires notice by Executive Order 94 within 10 days of accident to WC Program

VSDP vs. WC Investigation

- VSDP and WC will both determine eligibility
- VSDP may if sufficient information received authorizes short-term disability—WC pending
- VSDP—typically approved before WC due to compensability investigation requirement for WC

Paying The Employee

- **NO** wage benefits should be paid to the employee **as** **work-related disability** until the claim has been accepted as compensable
 - NEVER assume WC will be approved
 - Pay based on VSDP Action Reports & DOA Policy
- 50525

- WC Primary, VSDP offset by WC and any other VSDP requested offsets such as secondary employment
- Agency issue employee their workers' compensation benefit and any supplemental VSDP or personal leave benefit
- WC reimburses agency the workers' compensation benefit amount and will send the benefit checks payable to the agency
- Gross pay should be based upon **Action Report** at 100% and 80% level

First Week of Disability

The WC claim has not been accepted yet.

VSDP requires a one week waiting period.

How do you handle the first week's pay and leave?

First week—VSDP/WC Claim

Employee uses:

40 hours of some form of personal leave—
NOT WC Leave

Basis of Pay

If VSDP has approved as non-occupational:
Pay in accordance with Action Report

If VSDP and WC have approved:
Pay in accordance with Action Report or WC
Benefit whichever is higher

WC Benefit Amount

- WC benefit is based upon wages over the 52 weeks prior to the injury and may include overtime, similar employment, etc.
- Wage statements should be contemplated on any case where disability is expected to exceed 21 days and submitted ASAP
- Remember no allocation of payroll between VSDP and WC can be done until WC Indemnity rate is determined

Disability Greater than 21 days

- Waiting period eliminated for WC portion if disability greater than 21 days
- Reinstate waiting period equal to the workers' compensation benefit payment
- Re-calculate the amount of leave required for full salary
- **Remember, the employee must use leave for the difference between the workers' compensation benefit and full salary**

Calculate all WC rates based upon WC Indemnity Benefit

Current Annual Salary:	\$27,627.12
WC's weekly indemnity benefit (see Memorandum of Agreement)	\$ 364.83
Daily WC rate (364.83 divided by 7)	\$ 52.12
Hourly WC benefit rate (\$52.12/8)	\$ 6.51

Calculate leave to return (7 day waiting period)

- Look at waiting period (first 7 days) leave usage (normally 40 hours leave used)
- Determine hourly rate of pay for employee based upon salary at the time of the waiting period
- Divide hourly rate of pay into WC waiting period check

Calculate Leave to Return for WC

Waiting Period Check

Current Annual Salary: \$30,900.00

Current Weekly Salary: \$ 594.23

Hourly Salary (\$594.23/40) \$ 14.86

WC Weekly indemnity benefit \$ 384.63

(based upon \$30,000 wage statement 52 week salary)

Calculate leave to restore 25.88 hours

(\$384.63 WC Check divided by \$14.86 current hrly. pay)

Round hours of leave 25.88 to 25.9 hours of leave

RESTORE 25.9 hours of leave

VSDP 60%

- Employee is entitled to the greater of 60% of their last credible compensation or $66\frac{2}{3}$ of the average weekly wage within a minimum and maximum amount—*compensation rate*
- Compare VSDP 60% to WC benefit amount—pay greater
- Supplement with disability credits or authorized VSDP leave types only

Return to Work

- Agency must immediately notify WC by faxing in a **Supplemental Report (Form No. 3-A)** and calling the Benefit Coordinator



Intermittent Disability

- May or may not (depending upon the length of disability) be covered under the VSDP program as a new claim
- Fax a report of the employee's absence using the **Supplemental Report (Form No. 3-A)**
- OWC will confirm with the panel physician that the disability is causally related to WC

Intermittent Disability

- The agency **MUST** obtain approval from WC and if involved VSDP—authorized period of disability and benefit level prior to paying the benefits as WC or VSDP
- Pursuant to DHRM policies use authorized leave types during the period of time that a decision is pending
- If time off approved by WC and/or VSDP credit value of WC/VSDP benefit—continue to use leave for difference (divide check amount by employee's current hourly rate of pay)

Denied Claims

- Denial letter sent to employee, copy to the agency HR, and the panel physician
- Work-related disability benefits are only authorized for those injuries that are deemed compensable
- Appeal to Virginia Workers' Compensation Commission available to employee
- Litigation period—VSDP non-work related
- If employee wins—WC will reimburse amount AS AWARDED BY VWC *only*

USEFUL WEBSITES

- DOA Webpage:

<http://www.doa.virginia.gov/>

VSDP INFORMATION Webpage:

[http://www.doa.virginia.gov/procedures/
Payroll/VSDP/vsdphomepage.htm](http://www.doa.virginia.gov/procedures/Payroll/VSDP/vsdphomepage.htm)

USEFUL WEBSITES

- Payroll Bulletins Link

<http://www.doa.virginia.gov/procedures/Payroll/PayrollBulletins/payroll.htm>

- CAPP Manual Link

<http://www.doa.virginia.gov/procedures/AdminServices/CAPP/capp1.htm>

Questions regarding VSDP/WC

Who to call:

- | | |
|--|-------------------------------------|
| • Approval status/dates | Althea Burnett |
| • Date notification sent to UNUM | VSDP Coordinator
804-786-9862 |
| • Action report | UNUM |
| • Questions regarding approval dates | 800-652-5602 |
| • Dissatisfied with UNUM service or response | VRS
804-649-8059
888-827-3847 |

Getting Help with **Leave/Payroll/Unusual Cases**

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Calculation Worksheet

DOA:

<http://www.doa.virginia.gov/procedures/Payroll/VSDP/vsdphomepage.htm>

dhrm



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